



GRANT REPORT

Global Partnerships Impact-First Venture Loan Pool (IVLP)

Fiscal year ending June 30, 2024

Photo Credit: Fibrazo

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GLOBAL
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Purpose

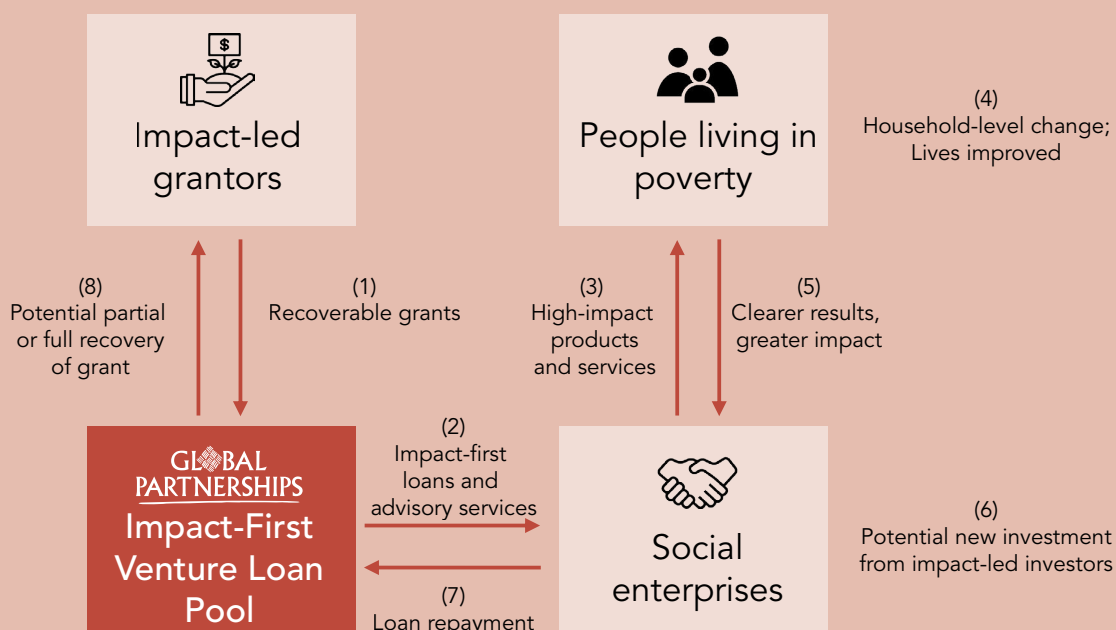
The purpose of the Impact-First Venture Loan Pool (IVLP) is to expand opportunity for people living in poverty by providing strategic impact advisory services alongside loans to early-stage social enterprises in Latin America and Sub-Saharan Africa.

Social enterprises are essential in delivering impactful products and services to people living in poverty, and the early stages of a company are critical in laying the foundation to scale impact. Yet early-stage social enterprises are often constrained by insufficient access to affordable capital and by limited capacity for impact measurement and management.

By providing low-cost, non-dilutive capital paired with impact advisory support, the IVLP seeks to strengthen partner social enterprises' ability to: clearly define and measure who is being served and what outcomes are being experienced by households living in poverty; integrate impact data as core business intelligence to inform decision-making; identify opportunities to increase impact; and use clear evidence of impact to effectively attract capital – all while continuing to build and grow a successful business.

The IVLP's initial nine months of operation (October 1, 2024 through June 30, 2024) have confirmed both the demand for such support among early-stage social enterprises, and Global Partnerships' (GP) ability to help address this gap in the market.

All contents and data in this report are as of June 30, 2024.



Impact Performance

The IVLP aims to enable impact across four dimensions, shown below with results from the IVLP's first nine months.

Broadening opportunity

The IVLP aims to invest across different facets of poverty, including, but not limited to, economic opportunity, education, energy, food, health, housing, sanitation, and water.

With its first two loans, the **IVLP has supported expansion of opportunity in two of these areas: food and economic opportunity.**

Deepening inclusion

The IVLP seeks to support social enterprises that deepen inclusion of underserved people living in poverty, including women and those living in marginalized geographies.

The IVLP's current partners proactively consider factors of marginalization in identifying their target markets. As a result, 100 percent of IVLP partners reach people living on less than \$5.50 PPP, per person, per day,¹ and **72 percent of their surveyed clients report lacking access to a good alternative.**² The majority (75 percent³) of current partners' clients are female.

Serving millions

By supporting early-stage social enterprises to develop, refine, and scale sustainable solutions, the IVLP aims to positively impact the lives of millions of people after the period of IVLP support.

The IVLP **selected current social enterprise partners due in part to their business models' capacity for scale.**

Improving lives



The IVLP aims to support social enterprises whose products and services empower people to earn a living and meet their basic needs.

89 percent of surveyed clients of IVLP partners say their quality of life has improved.⁴ The Portfolio Summary on page four shows enterprise-specific client outcomes that confirm meaningful improvements in clients' lives.

Capital Summary⁵

Target size of IVLP:	\$1.5MM
Recoverable grants received to date:	\$1.1MM
Cumulative loans made:	\$500K
Loan principal repaid to GP:	\$0
Aggregate loan principal outstanding:	\$500K
Capital returned to grantors:	\$0 ⁶

Portfolio Summary

	Partner	Model	Why it is Impactful
Opportunity Area: Economic		Provides fast broadband internet access to urban and peri-urban households living in poverty in Colombia and Argentina using an affordable pay-as-you-go model.	<p>Cost savings, increased internet utilization, and potential improvements in quality of life, income, and/or education (depending on usage patterns).⁷</p> <ul style="list-style-type: none"> • 93% of customers report improved quality of life • 86% say Fibrizo is less expensive than alternatives • Education is the most common primary use of Fibrizo reported by customers
Opportunity Area: Food		Provides affordable groceries , including fresh produce, for households living in poverty in urban and peri-urban “food deserts” in Mexico and Argentina, using a tech-enabled community group purchasing model that sources groceries directly from suppliers and delivers them to target customers’ neighborhoods.	<p>Improved household food security, economic resilience, and quality of life, with impact deepening as customers spend a higher proportion of their grocery budget with Nilus.⁸</p> <ul style="list-style-type: none"> • 85% of customers report improved quality of life • 92% report saving time on purchasing groceries • 65% report decreased spending on groceries • 69% report increased confidence in feeding their family



Featured Case Study

Strengthening Nilus' Capacity to Enable Impact at Scale

“Working with GP has been a transformative experience for our company. They helped us professionalize our theory of change and conducted the first in-depth impact measurement of our work. In short, they helped us reach the next level as an impact-driven business. We look forward to a long-lasting partnership with GP.”

- *Ady Beitler, Nilus Co-Founder & CEO*

The Challenge: Close to 30 percent of the global population faces moderate to severe food insecurity due to limited availability and affordability, with households living in poverty or conflict zones at especially high risk.⁹ As a result, households living in poverty spend a disproportionate amount of time and income obtaining food that is insufficient in volume and/or nutrients, with particularly harmful effects on women¹⁰ and children.¹¹

Nilus is an early-stage social enterprise in Latin America and an IVLP partner in GP's Food opportunity area since December 2023. Nilus enables improved food security for households living in poverty in urban and peri-urban “food deserts” through a tech-enabled community group purchasing model that sources groceries directly from suppliers and delivers them to target customers’ neighborhoods at an affordable price.

IVLP Support: The IVLP provided Nilus with impact advisory support and a \$250,000 loan, which the company used for general operating expenses as a bridge to a larger infusion of funding. For Nilus, IVLP's impact advisory included supporting the company to more clearly and completely articulate its impact "theory of change" as a foundational framework for impact management and stakeholder alignment. The team then identified key metrics that could help Nilus measure and manage performance on each component of that impact thesis. For some metrics, Nilus already had data on hand; for others where data was lacking, GP funded and led the design of a 60 Decibels (60dB) impact assessment to capture data on the clients Nilus serves and the outcomes enabled in their lives. At the conclusion of that study, the GP team collaborated with Nilus' leadership team to surface actionable opportunities to strengthen the company's ability to serve low-income clients.

Key Insights:

- **Nilus is effective in reaching households in poverty with limited access to healthy, affordable groceries.** The 60dB study provided data to assess performance against Nilus' strategic objective of serving low-income households with limited food access, and the results affirm the company's strong inclusivity. Nilus sees a large addressable market in similar urban and peri-urban communities, and now has data to use as a benchmark, and the tools to monitor performance on inclusion as the company grows. Evidence of deep inclusion can also help Nilus attract additional impact-first capital to support growth, particularly in a market such as Mexico, which some impact investors view as "middle-income" despite having areas with significant levels of poverty.
- **Growing Nilus' share of customers' total grocery spending is key to both impact and commercial success.** Nilus aspires to be the grocery provider of choice for its customers, and has long seen "wallet share" as a key metric of commercial success. Data from the 60dB study illuminated that wallet share is

also a key factor in increasing the magnitude of impact Nilus enables in customers' lives: customers who purchase a greater portion of their groceries from Nilus are more likely to report significant decreases in grocery expenses and time spent purchasing groceries, and significant improvement in quality of life, among other positive outcomes. The study also highlighted the importance of maintaining direct customer feedback loops (rather than relying on community group leaders to channel customer concerns and input), which Nilus had recently established and intends to continue enhancing.

- **Gender is a critical lens to understand clients' challenges and Nilus' pathways to creating value and enabling impact.** Nilus' founders set out to solve the problem of limited access to affordable, healthy food, which they knew disproportionately affected people living in poverty. Only as the company progressed did they realize that this challenge – and its solutions – are also highly gendered. Research indicates that women are more food insecure than men, often eating last and least in the family, and that they are more likely to bear the responsibility of finding, acquiring, and preparing food.¹² Discussions with the GP team surfaced opportunities for Nilus to apply a more proactive gender lens in designing its products and services, including, for instance, the importance of time savings for Nilus' 80 percent female customer base, and how Nilus' largely female community leaders might contribute to behavior changes to enable better nutrition among their neighbors.

The IVLP provided affordable capital to meet Nilus' short-term needs, together with impact advisory support that enabled Nilus to enhance its ability to use client-level impact data to drive business decision-making, positioning the company to deepen impact for people in poverty as it scales. The additional impact data, more sharply defined impact framework, and engagement by the GP team with peer impact investors also helped Nilus attract additional aligned impact-oriented capital to fuel its growth.

Endnotes

- ¹ Purchasing Power Parity (PPP) is a metric that compares different countries' currencies through a "basket of goods" approach.
- ² Based on responses from 553 Fibrazo and Nilus clients in two 2024 studies by 60 Decibels, Inc.
- ³ Ibid.
- ⁴ Ibid.
- ⁵ All numbers in this report above one million are rounded to the nearest 100,000.
- ⁶ Payments of recoverable amounts (to the extent due pursuant to the terms of the recoverable grants) will commence April 25, 2026.
- ⁷ All data points in this row are based on responses from 276 Fibrazo clients in Colombia in a 2024 study by 60 Decibels, Inc.
- ⁸ All data points in this row are based on responses from 277 Nilus clients in Mexico in a 2024 study by 60 Decibels, Inc.
- ⁹ "The Sustainable Development Goals Report 2023: Special Edition." United Nations Department of Economic and Social Affairs, 2023. <https://desapublications.un.org/publications/sustainable-development-goals-report-2023-special-edition>.
- ¹⁰ "Left Out and Left Behind" CARE, August 18, 2020. <https://www.care-international.org/files/files/LeftOutandLeftBehind.pdf>.
- ¹¹ "Malnutrition in Children." World Health Organization, accessed July 16, 2024. <https://www.who.int/data/nutrition/nlis/info/malnutrition-in-children>.
- ¹² "Left Out and Left Behind" CARE, August 18, 2020. <https://www.care-international.org/files/files/LeftOutandLeftBehind.pdf>.